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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/712,302	11/14/2000	Christopher J. Smith	3660P021X	8621

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EXAMINER

KARMIS, STEFANOS

ART UNIT PAPER NUMBER

3624

DATE MAILED: 09/26/2006

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary	Application No.	Applicant(s)	
	09/712,302	SMITH, CHRISTOPHER J.	
	Examiner	Art Unit	
	Stefano Karmis	3624	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 11 July 2006.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1,3-16 and 18-31 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1,3-16 and 18-31 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
 2. ☐ Certified copies of the priority documents have been received in Application No. _____.
 3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413) |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | Paper No(s)/Mail Date. _____ |
| 3) <input checked="" type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08) | 5) <input type="checkbox"/> Notice of Informal Patent Application |
| Paper No(s)/Mail Date <u>4/25/05</u> | 6) <input type="checkbox"/> Other: _____ |

DETAILED ACTION

1. The following communication is in response to Applicant's amendment filed 11 July 2006.

Status of Claims

2. Claims 1, 3, 7, 9, 16, 18, 22, 24 and 31 have been currently amended. Claims 4-6, 8, 10-15 and 18-21, 23, 25-30 are originally filed. Claims 2 and 17 have been canceled. Therefore claims 1, 3-16 and 18-31 are pending.

Response to Arguments

3. Applicant's arguments with respect to claims 1, 3-16 and 18-31 have been considered but are not persuasive as discussed below.

Claim Rejections - 35 USC § 112

4. The following is a quotation of the first paragraph of 35 U.S.C. 112:

The specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same and shall set forth the best mode contemplated by the inventor of carrying out his invention.

5. Claims 1, 3-16 and 18-31 are rejected under 35 U.S.C. 112, first paragraph, as failing to comply with the enablement requirement. The claim(s) contains subject matter which was not described in the specification in such a way as to enable one skilled in the art to which it pertains, or with which it is most nearly connected, to make and/or use the invention.

Regarding claim 1, Applicant has amended the claim to recite that the first transformation function “is only known by the buyer” as well as the second transformation function “is only known by the buyer.” This subject matter is not described in the specification in such a way to enable one skilled in the art to make and/or use the invention. The Examiner cannot find support in the specification for limiting the transformation function to the buyer. In the specification, Applicant states that the first and second transformation factors may be determined using any number of methods including a look-up table (page 32, lines 7-12). There is no teaching in the specification in which the look-up table would be limited to only be known to the buyer.

Regarding claim 1, the limitation “determining a first set of non-comparative bid parameters” and “determining a second set of non-comparative bid parameters” is not discussed in the specification. The specification discussed “transformation variables” (page 33) but there is no discussion in the specification for determining first/second non-comparative bid parameters. The lack of description would not allow one of ordinary skill in the art to be able to make the claimed invention from the subject matter discussed in the specification.

For these reasons, claim 1 fails to comply with the enablement requirement and therefore the limitations discussed do not carry patentable weight. Claims 16 and 31 contain similar language to that of claim 1 and therefore are rejected under the same reasoning. Claims 3-15 and 18-30 stand rejected for their dependency on claims 1, 16 and 31.

Claim Rejections - 35 USC § 103

6. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

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(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

7. The text of those sections of Title 35, U.S. Code not included in this action can be found in a prior Office action.

8. The factual inquiries set forth in *Graham v. John Deere Co.*, 383 U.S. 1, 148 USPQ 459 (1966), that are applied for establishing a background for determining obviousness under 35 U.S.C. 103(a) are summarized as follows:

1. Determining the scope and contents of the prior art.
2. Ascertaining the differences between the prior art and the claims at issue.
3. Resolving the level of ordinary skill in the pertinent art.
4. Considering objective evidence present in the application indicating obviousness or nonobviousness.

9. Claims 1, 3-16 and 18-31 are rejected under 35 U.S.C. 103(a) as being unpatentable over Auto Lease Shopping Now Made Easier, Consumer Research Magazine (hereinafter CRM) in further view of A Comprehensive Lease/Purchase Model, The Engineering Economist (hereinafter Gutman) in further view of Walker et al. (hereinafter Walker) U.S. Patent 5,794,207.

Regarding claims 1, 16 and 31, CRM teaches a method to transform bids in an auction, comprising: receiving a request describing an item that a buyer wish to purchase or lease (page 1, bottom); presenting the requested item to a plurality of sellers supplying a plurality of items including the requested item, the plurality of sellers being potential seller bidders for bidding the requested item (page 1, bottom and page 2, top); receiving a first bid having a first value and a first unit of measurement from a first seller bidder, the first seller bidder being one of the

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plurality of the seller bidders, wherein the first value represents at least a monthly lease payment for leasing the requested item (page 2, top); receiving a second bid having a second value and a second unit of measurement from a second seller bidder different than the first seller bidder, the second seller bidder being one of the plurality of the seller bidders, wherein the second value represents at least a purchase price for purchasing the requested item (page 2, top); transforming said first and second values to third and forth values, respectively, having a standard unit of measurement, wherein third value represents a total payment for leasing the requested item over a predetermined period of time, wherein the fourth value represents a total payment for purchasing the requested item (page 2, top); and presenting the third value and the forth value to the buyer such that the buyer is able to compare total costs of leasing or purchasing the requested item in order to make a decision on whether the requested item should be purchased or leased (page 2, bottom).

CRM fails to teach that the purchase price is a straight purchase price. Gutman teaches a comprehensive lease/purchase model to study the advantages of leasing over buying (page 333, Abstract). The study incorporates factors into a general leasing model and derives a comprehensive formal expression in terms of both the direction and magnitude of the net advantage of leasing over buying (page 334). Gutman teaches incorporating the factors to determine the present value of a leasing alternative (C_L) as well as the present value of buying (C_b) (page 335-336). The values are compared and the advantage is given by $C_b - C_L$ (page 336). Therefore, Gutman teaches transforming factors associated with leasing and buying to a present value and contrasting the value to determine which is most favorable.

CRM and Gutman fail to teach bidding is over a computer network. Walker teaches a network for buyer-driven conditional purchase offers in which a buyer, seller and central controller communicate over a network (column 11, line 53 thru column 12, line 8). The network is made up of processors and databases necessary for communication (column 11, line 53 thru column 12, line 8). Walker teaches that such a system can implemented online or offline (column 15 and column 23). Therefore it would have been obvious to one of ordinary skill in the art at the time of the Applicant's invention to modify the teachings of CRM and Gutman and include the teachings of Walker and have the communication between the parties be over a network, with the use of a processor because it provides a more modern and efficient way of communication between members attempting to enter into a financial relationship.

Claims 3 and 18, wherein the first transformation function determines a first transformation factor for the first value, wherein the first transformation function transforms the first value using the first transformation factor, wherein the second transformation function determined a second transformation factor for the second value, and wherein the second transformation function transforms the second value using the second transformation factor (page 2, bottom).

Claim 4, 5, 19 and 20, CRM fails teach a linear transformation for each value having at least one of a multiplicative adjustment and an additive adjustment. Official Notice is taken that linear transformation is old and well known in the financial arts. Therefore it would have been obvious to one of ordinary skill in the art at the time of the Applicant's invention to modify the

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teachings of CRM and Walker and include a linear transformation because it is an efficient manner to show the total cost that CRM is trying to provide to a purchaser so that the buyer can make an informed decision.

Claims 6 and 21, searching a look-up table for said first and second transformation factors; and retrieving said first and second transformation factors in accordance with said search (page 2, bottom).

Claims 7 and 22, identifying a first set of transformation variables for said first value; determining a first transformation function to derive said standard unit of measurement using said first value and said first set of transformation variables; receiving a value for each of said first set of transformation variables; and determining said first transformation factor using received values and said first transformation function (page 2, bottom).

Claims 8 and 23, the first set of transformation variables comprise at least one of a group comprising tax rate, a depreciation model, a book value life, a cost of debt, a cost of capital, risk factors based on different leasing plans, inception costs and exit costs (page 2, bottom).

Claims 9 and 24, identifying a second set of transformation variables for said first value; determining a second transformation function to derive said standard unit of measurement using said second value and said second set of transformation variables; receiving a value for each of

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said second set of transformation variables; and determining said second transformation factor using received values and said second transformation function (page 2, top and bottom).

Claims 10 and 25, the second set of transformation variables comprise at least one of a group comprising tax rate, a depreciation model, a book value life, a cost of debt, a cost of capital, risk factors based on different leasing plans, inception costs and exit costs (page 2, top and bottom).

Claims 11 and 26, the standard unit of measurement is a buyer comparative bid parameter (page 2, top).

Claims 12 and 27, CRM fails to specify calculating a net present value. Official Notice is taken that net present value calculations are old and well known in the financial arts. Therefore it would have been obvious to one of ordinary skill in the art at the time of the Applicant's invention to modify the teachings of CRM and Walker and include a net present value calculation because it provides information desirable when deciding between different options in a financial transaction.

Claims 13 and 28, comparing said third value and said forth value; and ranking said third value with respect to said fourth value in accordance with said comparison (page 2, bottom).

Claims 14 and 29, displaying said ranking for a buyer (page 2, top and bottom).

Claims 15 and 30, detransforming said third value to a fifth value having said second unit of measurement, and said fourth value to a sixth value having said first unit of measurement; and sending said fifth value to said second bidder and said sixth value to said first bidder (page 2, bottom).

Conclusion

10. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Stefano Karmis whose telephone number is (571) 272-6744. The examiner can normally be reached on M-F: 8-5.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Vincent Millin can be reached on (571) 272-6747. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

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Respectfully Submitted

Stefano Karmis

15 September 2006

A handwritten signature in black ink, appearing to read 'Stefano Karmis', with a long horizontal flourish extending to the right.A handwritten signature in black ink, appearing to read 'Vincent Millin', with a stylized, cursive script.

VINCENT MILLIN
SUPERVISORY PATENT EXAMINER
TECHNOLOGY CENTER 3600